



**Adding it up:** Getting credit-card debt under control this year is a priority for Richard and Kylie Don, who say plastic is a big temptation when providing for their kids, Ruby, 6, and Lachlan, 8.

# Shirtfronting your bank is worth a try

Noel Whittaker



**L**OVE them or hate them, the fact remains credit cards are a necessity for many people. You can hardly book accommodation, airfares or a rental car without them, and they mean you don't have to carry cash when you shop. But you still need to be aware of the traps.

A classic is having just one credit card when you are travelling, and finding it blocked after the hotel demands you hand it over at check-in to guarantee any purchases you may make while you are staying there.

Another major problem is supplementary cards. To save on fees, many families have one main credit card, with the partner and other family members using supplementary cards.

Unfortunately, with many cards, all associated cards are blocked as soon as one of the cards is lost or stolen.

This can be particularly embarrassing if you're travelling overseas.

Obviously the solution is for couples to have individual credit cards, but as a recent email from a reader points out, it is becoming increasingly difficult for retirees to qualify for a credit card.

She wrote: "My husband and I have had a 40-year association with a major bank, have paid off numerous loans and have a history of never missing a payment.

"We are 62 and 73, and are self-funded retirees with substantial assets.

"After reading your articles I decided to apply for a credit card in my own name, which has to be done online.

"It was declined by the bank's computer on the grounds I had no taxable income.

"I can't see the logic of this and am concerned that my 40 years of loyalty with the bank appear to count for nothing.

"The bank's decision makes me feel discriminated against, both as a married woman and a grandmother.

"Do you have any ideas how I can overcome this absurdity?"

I telephoned the bank on her behalf and spoke to one of its senior people, who promised to look into it.

Within five days I received an excited email from the reader telling me that a credit card in her own name had been approved.

She was over the Moon.

I phoned the executive I'd been dealing with to relay the good news, and asked him the obvious question — what is the mechanism for a person in her situation to get a credit card?

It's ridiculous to expect

that the only way for a card to be approved is for somebody in the media to bring it to the bank's notice. To his credit, he was most helpful.

He suggested that the first line of attack should be to go to a bank branch, talk to a staff member face to face, and make sure all details of the conversation are recorded.

In most cases, this should solve the problem.

But if it doesn't, he also suggested a Plan B.

Apparently, all the major banks have an advocate, whose job is to handle matters such as this for aggrieved customers.

Anybody who feels they have been badly treated can contact the advocate, who will investigate the case and help the customer achieve an outcome that works for both parties.

I must confess that this is a new term to me, but if you do a web search you will find every bank's advocate is clearly shown.

I guess it's good to know that in this age of computers we still have a human avenue of appeal if needed.

Please keep the emails coming in. It's a great way to keep everybody honest.

**Noel Whittaker is the author of Making Money Made Simple and other books on personal finance. His advice is general in nature and readers should seek their own professional advice before making any financial decisions.**

of up to 26 months, but there are often fees attached. This is usually up to 3 per cent of the balance transferred over.

Another way to smash the debt is by paying more than the minimum amount required. Credit providers often only require customers to pay a minimum 2 per cent of the balance each month, which can leave customers with debt they never pay off.

## CREDIT CHANGES

Multiple changes kicked on in on January 1 that will make it harder to get a new credit card.

Lenders must now follow stricter rules, which include looking more closely at a customer's ability to repay.

The changes include: **CREDIT** providers must give customers the ability to cancel or reduce credit limits online.

**BANKS** cannot back-date interest charges on credit-card balances.

**CARD** issuers cannot contact customers to offer credit limit increases.

**Scott Pape is on leave. His column will be back next week.**



## REWARDS CARDS

While many customers get lured into signing up to credit cards to accrue reward points, they could be wasting their time and money.

Banks have been forced to significantly reduce the value of their rewards points schemes because of the scaling back of interchange fee regulations in 2017.

This is the amount merchants charge for accepting payments on plastic and they were serious money-spinners for the lenders.

Mr Watson said rewards points for many shoppers are simply a trap.

"Bonus points on your credit are basically only used as an inducement to

encourage excess spending, not to genuinely reward the spender," he said.

He said customers often put their everyday spending on a credit card and were left to pick up the pieces and pay off the debt at the end of the month.

Analysis by financial website RateCity found on some cards customers need to spend more than \$50,000 on a rewards card just to get a \$129 toaster in return.

## PAY WITH CASH

Once you've cut through your credit-card debt, start a new approach to paying for goods.

Ms Pennisi said "cash is still king".

"If you don't have the cash, don't buy it until you do," she said.

"Save for the things you really want."

Shoppers should also turn to only using a debit card because as Ms Pennisi said, "it's a lot harder to overspend when you know it's your own money."

# What to do when your boss becomes a bully

**W**E are a nation that prides itself on a fair go for everyone. Yet over recent years we appear to have forged an unenviable track record when it comes to bullying in the workplace.

And some experts suggest the situation is getting worse, describing bullying in Australia as a silent epidemic of workplace violence.

Workplace bullying, in broad terms, is repeated and unreasonable behaviour that creates a risk to the health and safety of employees.

And while workplace

**WORKPLACE MATTERS**  
Gary Martin



bullying can occur between anyone in the workplace, the most difficult situation occurs when an employee's manager or supervisor is the perpetrator.

Victims will often initially sense they are being bullied by their manager, only to later dismiss those thoughts by inadvertently rationalising their boss' management style as "someone who is tough and

pushes hard to achieve results".

Yet it is well known that unchecked workplace bullying can result in low morale, reduced productivity, increased absenteeism, high employee turnover and reputational damage.

As such, identifying inappropriate behaviour is very important if the repercussions are to be avoided.

If you suspect that your boss has a bullying management style but need some clarification or confirmation of this, there are a number of red flags

employees should look out for.

Bullying bosses make use of a range of inappropriate and threatening behaviour, with verbal abuse often topping the list.

They might, for example, shout, swear or yell at you on a regular basis, or make offensive jokes at your expense.

And when these actions have taken place in front of your co-workers, you may well have been left feeling humiliated.

But it often doesn't stop there. Bullying bosses are known to intimidate

employees. If your boss consistently threatens you, towers over you or invades your personal space, these are red flags that should not be ignored.

Some bullying bosses deploy even more sinister tactics, which are often more difficult to prove and are designed to set you up to fail.

They might, for example, undermine your work performance by setting unrealistic deadlines or allocating tasks to you that require knowledge and skills you do not possess.

Even more subtle are sets of bullying behaviour aimed

to isolate you. For example, your boss may consistently excluded you from key meetings or hold important team gatherings knowing you have conflicting obligations.

Or your boss may spread malicious rumours about you that are causing your co-workers to shun you.

It is never easy to stand up to a bullying boss, but learning to identify key behaviour is an important first step in deciding whether or not to take that stand.

**Professor Gary Martin is chief executive at the Australian Institute of Management WA**

## ASK THE EXPERT

Send your questions to Noel Whittaker  
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**Q** I am single with a daughter who is a single stay-at-home mum and a son who works. Neither are dependent on me. My instructions to my super fund are that my super is to be left equally to my two children. The taxable component is \$180,000. Am I right in my assumption that they will pay 17 per cent death tax?

**A** They will pay death tax, but if when death nears you give enduring power of attorney to a trusted person with instructions to withdraw your entire super balance and deposit the money in your bank account tax-free, you will get rid of any possibility of the death tax.